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TO: Chief, SE

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18 September 1956

FROM: Chief of Station, [REDACTED]

SUBJECT: (General - Administrative
(Specifics - FPA Procedures

REFERENCE: [REDACTED] -78140, dated 18 May 1956
[REDACTED] -78733, dated 5 June 1956
[REDACTED] -35239, dated 11 September 1956

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ACTION REQUIRED: (1) Discuss with senior Station officials who have recently returned to Headquarters necessity and practicality of FPA procedures.
(2) Advise the Station on results of these discussions and conclusions reached from study of problem resulting from visit of Chief, Technical Accounting Staff last May.

1. Continuing uncertainty regarding Headquarters consideration and thinking with respect to our deep and serious scepticism concerning the value, practicality, and common sense of the FPA system as now directed and practiced is causing frustration and inaction. Our problems and views have been extensively discussed with [REDACTED] have been presented by cable and dispatch, and are known in detail to [REDACTED] now at Headquarters. The latter two are particularly well informed on the technical aspects.

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2. It is earnestly requested that full discussion of the problem be made at Headquarters in conjunction with these officials. We believe FPA at the field level is not necessary to ensure proper property accountability and believe all informational requirements of field and Headquarters can be satisfied by means of periodic reports on procurement, issuances and inventories. Procedures followed by the [REDACTED] Station prior to the installation of FPA permitted, in our opinion, adequate control over property furnished projects and more accurate costs through utilization of actual costs as contrasted to the present system of fixed prices. This control was exercised through our allotment structure, thus ensuring proper utilization of property within approval actions.

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3. It is felt that the present procedures, involving duplicate manual processing in the field of voluminous paper and records, is basically unsound, unrealistic to the needs of KUMARK, and it is extremely doubtful if conditions would ever permit its application on a world-wide basis. We therefore ask consideration of alternative and easier means to accomplish the valid objectives recognized by all. We believe manpower can better be used in actual property management.

Where is duplication?

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1. If FPA is believed to be essential for specific types of property, we recommend holding to a minimum. If Headquarters desires any specific analyses or criticisms of the FPA problem at the [REDACTED] which will assist in an objective review, please advise.

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/a/ [REDACTED]

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